MDS Alert

MDS Compliance: Validate Your Validation Reports - Or Risk Survey And Payment Woes

Don't let unheeded errors lead your MDS process astray.

If you consistently ignore MDS validation reports listing fatal errors and warning messages, you could strike a fatal blow to your facility's survey and compliance record.

Validation reports from the state database let you know if you need to correct the MDS, says **Roberta Reed, MSN, RN**, a consultant with **Howard Wershbale & Co.** in Cleveland, OH. "And you have to correct fatal errors and resubmit the MDS or it won't be accepted into the state database," she cautions.

The reality: You're not supposed to bill Medicare until the facility has successfully transmitted the MDS to the state database. Yet practically speaking, fiscal intermediaries don't have access to the state database to see if facilities are following that rule (the **Centers for Medicare & Medicaid Services** keeps vowing that will change in the future).

But if you don't transmit the MDS timely, your facility may face automatic survey sanctions - and those can get the noncompliance snowball rolling toward your facility. "If the facility isn't transmitting MDSs within 31 days of their completion or at all, the facility can get a survey deficiency without the state ever coming to the facility," warns **Christine Twombly, RN**, an MDS consultant with **Reingruber & Associates** in St. Petersburg, FL, who has seen this very situation happen to nursing facilities.

Not only that, "but if surveyors find the facility isn't transmitting the MDS on time (which will happen if it's not correcting fatal errors and resubmitting the record), they could report the noncompliance further," Twombly says. The facility could end up with a payment audit or compliance issue on its hands, depending on how extensive the problem with MDS transmission is - and the reasons for the problem, she adds.

In fact, "OBRA 87 added provisions to the Social Security Act requiring each state to provide its Medicaid Fraud Unit with access to all information from surveys," notes **Marie Infante**, an attorney in Washington, DC. And various government enforcement agencies are focusing on the MDS as a key component of facility compliance, adds **Howard Sollins**, an attorney with **Ober/Kaler** in Baltimore. "That includes survey and certification agencies, the **HHS Office of Inspector General** and CMS through its DAVE project."

Give Billing a Heads-Up

Facilities need a surefire mechanism to let the billing department know the state database has accepted the MDS. For example, **Pine Run Health Center's** computer system allows the billing office staff to check whether the MDS staff has successfully transmitted the MDS, reports **Lu Gillis, RN**, the MDS coordinator for the Doylestown, PA nursing facility. "If a record gets rejected, we do a follow-up call to let billing know not to bill for that MDS until they hear from us," says Gillis.

Some billing offices push the MDS coordinator to finish and transmit MDSs earlier than CMS requires so the facility can bill by a certain date of the month, Twombly notes. In such cases, "the MDS coordinator should tell billing the MDS won't be completed until later and not to send the bill until the state database has accepted the MDS," advises Twombly.

The rush to submit a bill on a resident admitted late in the month can rob the facility of fair reimbursement. "If the MDS coordinator sets and selects the assessment reference date (ARD) after the desired billing date," Twombly says, "the

facility may capture the resident's highest acuity and resource utilization," which may result in the resident going into a higher paying RUG.

Other facilities push the envelope by billing MDS-generated RUGs before actually transmitting the assessment to the state. Yet if that MDS gets rejected for a fatal error that, once corrected, produces a whole new RUG, the facility will have to submit an adjustment bill, Twombly advises.

Know When to Respond to Warning Messages

Sometimes you get a nonfatal message that the RUG score submitted didn't match the one the state or CMS calculated, Twombly notes. "In such a case, verify the correct RUG score for billing purposes," she advises. The error may be the result of a software error in calculating the RUG or someone may have changed the MDS - "for example, therapy may have added therapy minutes after the MDS went through the RUG calculator," Twombly says. In such a case, notify your billing department to bill the correct RUG in question.

Remember: The default rate only applies when you missed the assessment reference window for the MDS. "It doesn't apply if you completed or transmitted the MDS late. But if you correct either a fatal or nonfatal error and it results in a different RUG score than the one billed, the facility will have to submit an adjusted claim," Twombly cautions.

Some messages on the validation report simply prompt the facility to make sure the MDS submitted doesn't have a problem, notes **Pam Manion, MS, RN, BC, GCNS**, corporate nurse with **Delmar Gardens Enterprises**, a multi-nursing facility organization based in St. Louis, MO.

"For example, you will get a warning message that the provider number has changed if the resident has switched from home health to an inpatient SNF stay," Manion says. "Or if you code the resident as deceased, a message will prompt you to make sure that information is correct before it gets added to the system."

You can ignore about 90 percent of warning messages, in the view of **Nathan Lake, RN**, a Seattle-based MDS software developer and expert.

The challenge lies in knowing which ones matter. Say you submit an assessment in which you accidentally changed the resident's gender compared with the most recent assessment. "The validation report will display a warning to see if you intended to make the change - and if you don't correct the error, the database will create another whole person," Lake cautions.

Look for Patterns of Errors

Track the errors on the MDS validation reports by the number of the messages, advises **Bet Ellis, RN, RAC-C, LNHA**, clinical manager for **Larson Allen Health Care Group** in Charlotte, NC. "Then the facility can target those errors and related MDS items from a process improvement perspective."

Cover your bases: The MDS person should also check the validation reports when returning from an absence, advises Lake. "Otherwise, the facility will have a problem on its hands if surveyors target those MDSs a year later, or if the FI does medical review," he notes.

Administrators and DONs should also track what's going on with the MDS by looking at scheduled MDS reports that appear in the same place as the validation report (such as the roster report), advises Twombly. "You can see how many MDSs of what type have been accepted and the RUG scores," she adds. "That's especially important for managers to do in high-risk facilities that have a vacant MDS coordinator position or have gone through several MDS nurses."

Tip: If the final validation report shows the facility transmitted 30 MDSs but 10 were late, find out why the MDS coordinator isn't getting the MDSs done on time, said **Sandra Sheehan, RN, BSN, CRNAC**, senior director of quality and utilization compliance with **Kindred Healthcare** in Louisville, KY, speaking at the September 2004 **National Association of Subacute and Post Acute Care** conference in Washington, DC. (For an example of a warning

message, see Article 2.)

For a handy guide listing the validation report message numbers and descriptions, go to www.qtso.com/guides/mds/errors/contents.pdf.